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# **Tobin & Co.**

Leland Township

Leelanau County, Michigan

Audit Report

For the Year Ended March 31, 2007

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <b>Leland Township</b>	County <b>Leelanau</b>
Fiscal Year End <b>3/31/07</b>	Opinion Date <b>9/26/07</b>	Date Audit Report Submitted to State <b>9/28/07</b>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

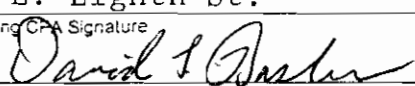
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

SE 2 Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) <b>Tobin &amp; Co., P.C.</b>		Telephone Number <b>231-947-0151</b>	
Street Address <b>400 E. Eighth St.</b>		City <b>Traverse City</b>	State <b>MI</b>
Authorizing CPA Signature 		Printed Name <b>DAVID L. BASLER</b>	Zip <b>49686</b>
		License Number <b>1101013418</b>	

# Tobin & Co.

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INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Leland Township, Leelanau County, for the year ended March 31, 2007 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Leland Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Accounting records were maintained in good order. Recorded revenues were deposited timely and intact. Required journals and ledgers were maintained. Follow-up procedures appeared good. There were some shortcomings in accounting and internal control procedures which we have addressed in a separate letter to management.

### Budgets and Procedures

The Township prepared and adopted budgets for its General, Special Revenue, and Enterprise Funds. See Note 2C of the Notes to Financial Statements.

### General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance at March 31, 2007, was \$280,228, an increase of \$73,099 from the balance at March 31, 2006.

### Metro Authority Fund

This fund, presented on Schedule 2, is used to account for state shared revenues under the Metropolitan Authority Act restricted to right-of-way expenditures. Revenues amounted to \$5,598 for the audit year. The fund balance at March 31, 2007 was \$17,880.

### Fire and Rescue Fund

This fund, presented on Schedule 3, is used to account for the special voted tax of one mil for fire protection. Revenues amounted to \$342,841 for the audit year, including \$301,632 of tax and \$40,829 of ambulance fees. In addition, the fund received a net transfer of \$18,409 from the Fire Building and Equipment Fund to cover the cost of new fire equipment. The fund balance at March 31, 2007 was \$56,186, an increase of \$22,112 from the balance at March 31, 2006.

### Liquor Law Enforcement Fund

This fund, presented on Schedule 4, is used to account for liquor license fees refunded by the State of Michigan. These fees may be used only for enforcement of the State liquor laws. Expenditures exceeded revenues by \$919 for the audit year, and the fund balance at March 31, 2007 was \$8,837.

### Library Fund

This fund, presented on Schedule 5, is used to account for revenues specifically designated for operations and maintenance of the Township Library. Revenues and a transfer of \$67,950 from the General Fund exceeded expenditures by \$16,649. The fund balance at March 31, 2007 was \$209,838.

### Marina Improvement Fund

This fund, presented on Schedule 6, is used to account for interest earnings and monies transferred from the Marina Fund set aside for capital improvements. Revenues exceeded expenditures by \$21,595. The fund balance at March 31, 2007 was \$504,488.

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## Comments and Recommendations

### Fire Building and Equipment Fund

This fund, presented on Schedule 7, is used to account for the special voted tax of .4000 mil for fire equipment replacement. Revenues amounted to \$135,314 for the audit year. Expenditures consisted of a net transfer out of \$18,409 to the Fire and Rescue Fund for purchase of equipment. The fund balance at March 31, 2007 was \$336,027.

### Sewer Fund

This fund, presented on Schedule 10, is used to account for the operations and debt retirement relative to the Township sewer system. Retained earnings at March 31, 2007 were \$930,007.

### Marina Fund

This fund, presented on Schedule 11, is used to account for operations of the Township Marina. Retained earnings at March 31, 2007 were \$668,576.

### Capital Assets

The Statement of Changes in Capital Assets (land, buildings, and equipment) is presented in Note 6 of the Notes to Financial Statements.

### Property Tax Collections

The collection and distribution of the 2006 tax levy was well handled by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period were, for the most part, in accordance with statutory requirements.

See Schedule 13 for a summary of the 2006 property tax levy and collections.

### Payroll Procedures

Payroll records were well maintained by the Township Clerk. Social Security and Medicare taxes are being withheld as required by statute.

### Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and the Michigan Municipal League Workmen's Compensation Fund and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies, as well as the Supervisor, have specific surety bond coverage and the Township has a blanket surety bond for other employees.

### Other Data

We are pleased to note the use of interest bearing depository accounts. This practice resulted in earned interest of \$69,470 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field examiners in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

FINANCIAL SECTION

# Tobin & Co.

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Leland Township  
Leelanau County  
Leland, Michigan 49654

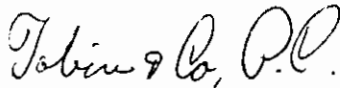
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Leland Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Leland Township, Leelanau County at March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Leland Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.  
Certified Public Accountants  
September 26, 2007



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## Leland Township Management Discussion and Analysis Letter

As the Township Board of the Leland Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Leland Township for the fiscal year ended March 31, 2007.

### Financial Highlights

The assets of Leland Township exceeded its liabilities at the close of the most recent fiscal year by \$8,780,006. Of this amount, \$280,228 may be used to meet the Township's ongoing General Fund obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$1,413,984, an increase of \$254,037 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$280,228, or 67.7% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Leland Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include: general government, public safety, road projects, and township improvements. The business-type activities of the Township include sewer and marina operations.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Leland Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Leland Township maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Fire and Rescue Fund, Marina Improvement Fund, Library Fund, and Fire Building and Equipment Fund, which are considered to be major funds. All Township government activities are included in these five funds plus three non-major governmental funds.

The Township adopts an annual appropriated budget for its general fund, special revenue and permanent funds. Budgetary comparison statements have been provided for the general fund and other governmental funds to demonstrate compliance with this budget.

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**Proprietary funds:** Leland Township maintains two individual proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer and marina activities.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

The basic fiduciary fund financial statements can be found on page 20 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**General Fund Analysis and Highlights:** General funds increased by approximately \$147,000 as the result of a voted millage increase. Expenses were controlled within the budget which resulted in an increase in the Township fund balances.

## Condensed Financial Information and Analysis of Balances and Transactions of the Other Township's Funds.

	March 31, 2007			March 31, 2006		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 1,471,231	\$ 427,760	\$ 1,898,991	\$ 1,198,011	\$ 500,466	\$ 1,698,477
Capital Assets	<u>1,957,972</u>	<u>5,583,075</u>	<u>7,541,047</u>	<u>2,021,299</u>	<u>5,591,639</u>	<u>7,612,938</u>
Total Assets	<u>\$ 3,429,203</u>	<u>\$ 6,010,835</u>	<u>\$ 9,440,038</u>	<u>\$ 3,219,310</u>	<u>\$ 6,092,105</u>	<u>\$ 9,311,415</u>
Long-term Liabilities	\$ -	\$ 625,000	\$ 625,000	\$ -	\$ 825,000	\$ 825,000
Other Liabilities	<u>6,688</u>	<u>28,344</u>	<u>35,032</u>	<u>18,249</u>	<u>34,303</u>	<u>52,552</u>
Total Liabilities	<u>\$ 6,688</u>	<u>\$ 653,344</u>	<u>\$ 660,032</u>	<u>\$ 18,249</u>	<u>\$ 859,303</u>	<u>\$ 877,552</u>
Net Assets:						
Invested in Capital Assets	\$ 1,957,972	\$ 4,958,075	\$ 6,916,047	\$ 2,021,299	\$ 4,766,639	\$ 6,787,938
Restricted	<u>1,133,756</u>	<u>-</u>	<u>1,133,756</u>	<u>952,815</u>	<u>-</u>	<u>952,815</u>
Unrestricted	<u>330,787</u>	<u>399,416</u>	<u>730,203</u>	<u>226,947</u>	<u>466,163</u>	<u>693,110</u>
Total Net Assets	<u>\$ 3,422,515</u>	<u>\$ 5,357,491</u>	<u>\$ 8,780,006</u>	<u>\$ 3,201,061</u>	<u>\$ 5,232,802</u>	<u>\$ 8,433,863</u>

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	March 31, 2007			March 31, 2006		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues						
Charges for Services	\$ 89,126	\$ 852,316	\$ 941,442	\$ 102,742	\$ 855,994	\$ 958,736
Operating Grants and Contributions	21,012	18,652	39,664	19,710	-	19,710
General Revenues						
Property Taxes	742,273	-	742,273	344,002	-	344,002
State Shared Revenues	138,032	-	138,032	136,630	-	136,630
Unrestricted Investments						
Earnings	54,437	15,033	69,470	33,568	12,477	46,045
Miscellaneous	46,143	5,527	51,670	21,466	-	21,466
Total Revenues	1,091,023	891,528	1,982,551	658,118	868,471	1,526,589
Program Expenses						
Legislative	\$ 60,123	\$ -	\$ 60,123	\$ 49,557	\$ -	\$ 49,557
General Government	146,292	-	146,292	139,819	-	139,819
Public Safety	456,934	-	456,934	315,086	-	315,086
Public Works	20,852	323,164	344,016	23,075	324,196	347,271
Recreation and Cultural	185,368	443,674	629,042	158,913	447,819	606,732
Total Expenses	869,569	766,838	1,636,407	686,450	772,015	1,458,465
Transfers	-	-	-	50,000	(50,000)	-
Change in Net Assets	\$ 221,454	\$ 124,690	\$ 346,144	\$ 21,668	\$ 46,456	\$ 68,124

## Capital Asset and Debt Administration

**Capital assets:** The Township's investment in capital assets for its governmental activities as of March 31, 2007, amounts to \$1,957,972. This investment in capital assets includes: several parcels of land, Library, Fire and Rescue buildings, Fire and Rescue Trucks and Equipment, and Office Equipment and Computers. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives. This fiscal year the amount by which depreciation exceeded capital outlays was \$63,327.

**Cash Assets:** At the end of the current fiscal year, the Township had \$1,735,636 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

**Long-term Debt:** At the end of the current fiscal year, the Township had \$625,000 in bonded sewer debt outstanding.

**Pension Plan:** The Township makes contributions equal to approximately 10.4% of each employee's wage to Municipal Retirement Systems, Inc. on behalf of each participating employee. This is an expensed item in the budget and totaled \$8,250 for the fiscal year.

## Currently Known Facts, Decisions, or Conditions Expected to Significantly Effect Next Year and Beyond: Requests for Information

The Harbor Renovation Project has been delayed again and final approvals are expected sometime in the Fall of 2007. Bid requests are going out in the Spring of 2008 and construction is expected to start in the Fall of 2008.

The Township voters approved a millage increase that has provided funding of \$100,000 for road repairs, park improvements and equipment of more than \$35,000; has allowed us to increase our maintenance person from part to full-time; and has allowed us to increase our library funding. We have a number of on-going projects including renovation of the library and the formation of a study committee to look at our fire and rescue facilities.

## Requests for Information

This financial report is designed to provide a general overview of Leland Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Jane Kcen, Township Clerk, P. O. Box 1112, Leland, MI 49654.

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## Leland Township Statement of Net Assets March 31, 2007

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 1,395,044	\$ 325,417	\$ 1,720,461
Investments	15,175	-	15,175
Accounts Receivable	-	102,343	102,343
Taxes Receivable – Current	50,559	-	50,559
Due from Other Activities	10,385	-	10,385
Prepaid Expenditures	68	-	68
Capital Assets:			
Land	1,453,350	2,299	1,455,649
Other Capital Assets, Net of Depreciation	<u>504,622</u>	<u>5,580,776</u>	<u>6,085,398</u>
Total Assets	<u>3,429,203</u>	<u>6,010,835</u>	<u>9,440,038</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	6,688	17,958	24,646
Due to Other Activities	-	10,386	10,386
Long-term Liabilities, Net of Discounts:			
Due Within One Year	-	200,000	200,000
Due in More Than One Year	<u>-</u>	<u>425,000</u>	<u>425,000</u>
Total Liabilities	<u>6,688</u>	<u>653,344</u>	<u>660,032</u>
<u>Net Assets</u>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	1,957,972	4,958,075	6,916,047
Restricted	1,133,756	-	1,133,756
Unrestricted	<u>330,787</u>	<u>399,416</u>	<u>730,203</u>
Total Net Assets	<u>\$ 3,422,515</u>	<u>\$ 5,357,491</u>	<u>\$ 8,780,006</u>

See Accompanying Notes to Basic Financial Statements

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## Leland Township Statement of Activities March 31, 2007

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets</u>		<u>Total</u>
		<u>Fees and Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities:						
Legislative	\$ 60,123	\$ -	\$ -	\$ (60,123)	\$ -	\$ (60,123)
General Government	146,292	31,153	4,755	(110,384)	-	(110,384)
Public Safety	456,934	46,579	3,574	(406,781)	-	(406,781)
Public Works	20,852	-	5,598	(15,254)	-	(15,254)
Recreation and Cultural	<u>185,368</u>	<u>11,394</u>	<u>7,085</u>	<u>(166,889)</u>	<u>-</u>	<u>(166,889)</u>
Total Governmental Activities	<u>869,569</u>	<u>89,126</u>	<u>21,012</u>	<u>(759,431)</u>	<u>-</u>	<u>(759,431)</u>
Business-type Activities:						
Marina	443,674	527,380	18,652	-	102,358	102,358
Sewer	<u>323,164</u>	<u>324,936</u>	<u>-</u>	<u>-</u>	<u>1,772</u>	<u>1,772</u>
Total Business-type Activities	<u>766,838</u>	<u>852,316</u>	<u>18,652</u>	<u>-</u>	<u>104,130</u>	<u>104,130</u>
Total	<u>\$ 1,636,407</u>	<u>\$ 941,442</u>	<u>\$ 39,664</u>	<u>(759,431)</u>	<u>104,130</u>	<u>(655,301)</u>
General Revenues:						
Taxes				742,273	-	742,273
State Shared Revenues				138,032	-	138,032
Investment Earnings				54,437	15,033	69,470
Miscellaneous				<u>46,143</u>	<u>5,527</u>	<u>51,670</u>
Total General Revenues				<u>980,885</u>	<u>20,560</u>	<u>1,001,445</u>
Change in Net Assets				221,454	124,690	346,144
Net Assets – Beginning				<u>3,201,061</u>	<u>5,232,801</u>	<u>8,433,862</u>
Net Assets – Ending				<u>\$ 3,422,515</u>	<u>\$ 5,357,491</u>	<u>\$ 8,780,006</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Lelaud Township Balance Sheet Governmental Funds March 31, 2007

Assets	General Fund	Fire and Rescue Fund	Library Fund	Marina Improvement Fund	Fire Building and Equipment Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 208,153	\$ 59,108	\$ 68,704	\$ 504,488	\$ 336,027	\$ 27,217	\$ 1,203,697
Certificates of Deposit	65,388	-	125,359	-	-	-	190,747
Investments	-	-	15,175	-	-	-	15,175
Petty Cash	-	-	600	-	-	-	600
Taxes Receivable - Current	20,292	21,732	-	-	8,535	-	50,559
Due from Other Funds	13,375	-	-	-	-	-	13,375
Prepaid Expenditures	-	68	-	-	-	-	68
Total	<u>\$ 307,208</u>	<u>\$ 80,908</u>	<u>\$ 209,838</u>	<u>\$ 504,488</u>	<u>\$ 344,562</u>	<u>\$ 27,217</u>	<u>\$ 1,474,221</u>

### Liabilities and Fund Equity

<u>Liabilities:</u>							
Accounts Payable	\$ 6,688	\$ -	\$ -	\$ -	\$ -	-	\$ 6,688
Due to Other Funds	-	2,990	-	-	-	-	2,990
Deferred Revenue	20,292	21,732	-	-	8,535	-	50,559
Total	<u>26,980</u>	<u>24,722</u>	<u>-</u>	<u>-</u>	<u>8,535</u>	<u>-</u>	<u>60,237</u>
<u>Fund Equity:</u>							
Fund Balance - Reserved	-	-	11,129	-	-	-	11,129
Fund Balance - Unreserved	280,228	56,186	198,709	504,488	336,027	27,217	1,402,855
Total	<u>280,228</u>	<u>56,186</u>	<u>209,838</u>	<u>504,488</u>	<u>336,027</u>	<u>27,217</u>	<u>1,413,984</u>
Total Liabilities and Fund Equity	<u>\$ 307,208</u>	<u>\$ 80,908</u>	<u>\$ 209,838</u>	<u>\$ 504,488</u>	<u>\$ 344,562</u>	<u>\$ 27,217</u>	<u>\$ 1,474,221</u>

Amounts reported for governmental activities on the statement of net assets are different because:

Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.

1,957,972

Receivables of property taxes are not deferred in the statement of net assets.

50,559

Net assets of governmental activities.

\$ 3,422,515

See Accompanying Notes to Basic Financial Statements

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2007

	General Fund	Fire and Rescue Fund	Library Fund	Marina Improvement Fund	Fire Building and Equipment Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 285,803	\$ 301,632	\$ -	\$ -	\$ 124,096	\$ -	\$ 711,531
Licenses and Permits	5,750	-	-	-	-	-	5,750
Federal Grants	4,755	-	-	-	-	-	4,755
State Grants	143,047	-	2,070	-	-	9,172	154,289
Charges for Services	31,153	40,829	11,394	-	-	-	83,376
Fines and Forfeits	-	-	15,365	-	-	-	15,365
Interest and Rents	11,576	-	13,548	21,595	7,718	-	54,437
Other	4,746	380	22,152	-	3,500	-	30,778
<b>Total</b>	<b>486,830</b>	<b>342,841</b>	<b>64,529</b>	<b>21,595</b>	<b>135,314</b>	<b>9,172</b>	<b>1,060,281</b>
<b>Expenditures</b>							
Legislative	49,334	-	-	-	-	-	49,334
General Government	127,630	-	-	-	-	-	127,630
Public Safety	58,740	326,119	-	-	-	4,493	389,352
Public Works	12,565	-	-	-	-	-	12,565
Recreation and Cultural	53,083	-	116,730	-	-	-	169,813
Other	33,753	-	-	-	-	-	33,753
Capital Outlay	10,676	13,019	100	-	-	-	23,795
<b>Total</b>	<b>345,781</b>	<b>339,138</b>	<b>116,830</b>	<b>-</b>	<b>-</b>	<b>4,493</b>	<b>806,242</b>
<b>Excess Revenues (Expenditures)</b>	<b>141,049</b>	<b>3,703</b>	<b>(52,301)</b>	<b>21,595</b>	<b>135,314</b>	<b>4,679</b>	<b>254,039</b>
<b>Other Financing Sources (Uses)</b>							
Operating Transfers In	-	123,409	67,950	-	105,000	-	296,359
Operating Transfers (Out)	(67,950)	(105,000)	-	-	(123,409)	-	(296,359)
<b>Total</b>	<b>(67,950)</b>	<b>18,409</b>	<b>67,950</b>	<b>-</b>	<b>(18,409)</b>	<b>-</b>	<b>-</b>
<b>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</b>	<b>73,099</b>	<b>22,112</b>	<b>15,649</b>	<b>21,595</b>	<b>116,905</b>	<b>4,679</b>	<b>254,039</b>
<b>Fund Balance - Beginning of Year</b>	<b>207,129</b>	<b>34,074</b>	<b>194,189</b>	<b>482,893</b>	<b>219,122</b>	<b>22,538</b>	<b>1,159,945</b>
<b>Fund Balance - End of Year</b>	<b>\$ 280,228</b>	<b>\$ 56,186</b>	<b>\$ 209,838</b>	<b>\$ 504,488</b>	<b>\$ 336,027</b>	<b>\$ 27,217</b>	<b>\$ 1,413,984</b>

See Accompanying Notes to Basic Financial Statements

# **Tobin & Co.**

Leland Township  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Of Governmental Activities  
For the Year Ended March 31, 2007

Net change in fund balances – total governmental funds	\$ 254,039
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(63,327)
Governmental funds defer property taxes receivable. However, in the statement of activities, they are recognized as revenues. This is the amount by which the deferred property taxes exceeded the deferral at March 31, 2006.	<u>30,742</u>
Changes in net assets of governmental activities	<u>\$ 221,454</u>

See Accompanying Notes to Basic Financial Statements



# Tobin & Co.

## Leland Township Statement of Net Assets Proprietary Funds March 31, 2007

### Business Type Activities – Enterprise Funds

#### Assets

	<u>Sewer</u>	<u>Marina</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 49,947	\$ 275,470	\$ 325,417
Accounts Receivable	102,343	-	102,343
Capital Assets:			
Land	-	2,299	2,299
Other Capital Assets, Net of Depreciation	<u>5,179,181</u>	<u>401,595</u>	<u>5,580,776</u>
Total Assets	<u>5,331,471</u>	<u>679,364</u>	<u>6,010,835</u>

#### Liabilities

Accounts Payable and Accrued Expenses	17,958	-	17,958
Due to Other Activities	167	10,219	10,386
Long-term Liabilities, Net of Discounts:			
Due Within One Year	200,000	-	200,000
Due in More Than One Year	<u>425,000</u>	<u>-</u>	<u>425,000</u>
Total Liabilities	<u>643,125</u>	<u>10,219</u>	<u>653,344</u>

#### Net Assets

Invested in Capital and Intangible Assets, Net of Related Debt	4,554,181	403,894	4,958,075
Unrestricted	<u>134,165</u>	<u>265,251</u>	<u>399,416</u>
Total Net Assets	<u>\$ 4,688,346</u>	<u>\$ 669,145</u>	<u>\$ 5,357,491</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Leland Township Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds For the Year Ended March 31, 2007

### Business Type Activities – Enterprise Funds

	<u>Sewer</u>	<u>Marina</u>	<u>Total</u>
<u>Operating Revenues</u>			
State Grants	\$ -	\$ 18,652	\$ 18,652
Charges for Services	324,936	527,380	852,316
Other	<u>5,527</u>	<u>-</u>	<u>5,527</u>
Total Operating Revenues	<u>330,463</u>	<u>546,032</u>	<u>876,495</u>
<u>Operating Expenses</u>			
Salaries and Wages	10,592	60,268	70,860
Fringe Benefits	1,244	6,144	7,388
Supplies	879	5,045	5,924
Gas, Oil and Fuel	-	290,942	290,942
Contractual Services	79,482	1,116	80,598
Trash Removal	809	777	1,586
Legal and Auditing	5,186	1,794	6,980
Communications	2,321	1,151	3,472
Transportation and Travel	-	274	274
Printing and Publishing	577	340	917
Licenses and Permits	3,650	-	3,650
Insurance and Bonds	4,035	5,858	9,893
Public Utilities	19,152	15,363	34,515
Maintenance and Repairs	10,218	12,100	22,318
Depreciation	143,285	17,614	160,899
Licenses and Fees	-	435	435
Other and Credit Card Fees	12,400	12,453	24,853
Administration Fee	-	12,000	12,000
Interest	<u>29,334</u>	<u>-</u>	<u>29,334</u>
Total Operating Expenses	<u>323,164</u>	<u>443,674</u>	<u>766,838</u>
Operating	<u>7,299</u>	<u>102,358</u>	<u>109,657</u>
<u>Non-operating Income (Expense)</u>			
Interest Income	<u>1,144</u>	<u>13,889</u>	<u>15,033</u>
Total Non-operating Income (Expense)	<u>1,144</u>	<u>13,889</u>	<u>15,033</u>
<u>Net Income</u>	8,443	116,247	124,690
Depreciation Transferred to Contributions	89,302	-	89,302
<u>Retained Earnings – Beginning of Year</u>	<u>832,262</u>	<u>552,329</u>	<u>1,384,591</u>
<u>Retained Earnings – End of Year</u>	<u>\$ 930,007</u>	<u>\$ 668,576</u>	<u>\$ 1,598,583</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Leland Township Statement of Cash Flows Proprietary Funds For the Year Ended March 31, 2007

	<u>Business Type Activities – Enterprise Funds</u>		
	<u>Sewer</u>	<u>Marina</u>	<u>Total</u>
<u>Operating Activities</u>			
Collections of State Grants	\$ -	\$ 18,652	\$ 18,652
Collections of Charges for Services	321,548	527,380	848,928
Collections of Other Income	5,527	-	5,527
Collections of Interest	1,144	13,889	15,033
Deduct Expenses Using Cash and Cash Equivalents	<u>(185,840)</u>	<u>(426,060)</u>	<u>(611,900)</u>
Net Cash Flow from Operating Activities	<u>142,379</u>	<u>133,861</u>	<u>276,240</u>
<u>Investing Activities</u>			
Purchase of Property and Equipment	<u>-</u>	<u>(152,334)</u>	<u>(152,334)</u>
Net Cash Flow Used by Investing Activities	<u>-</u>	<u>(152,334)</u>	<u>(152,334)</u>
<u>Capital Financing Activities</u>			
Principal Payments	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Cash Flow Used by Capital Financing Activities	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
<u>Net Increase (Decrease) in Cash</u>	<u>(57,621)</u>	<u>(18,473)</u>	<u>(76,094)</u>
<u>Balance of Cash – Beginning of Year</u>	<u>107,568</u>	<u>293,943</u>	<u>401,511</u>
<u>Balance of Cash – End of Year</u>	<u>\$ 49,947</u>	<u>\$ 275,470</u>	<u>\$ 325,417</u>

### Reconciliation of Net Income and Net Cash Flow from Operating Activities

Net Income	\$ 8,443	\$ 116,247	\$ 124,690
Add Depreciation	143,285	17,614	160,899
Decrease in Receivables	(3,389)	-	(3,389)
(Increase) in Payables	<u>(5,960)</u>	<u>-</u>	<u>(5,960)</u>
Net Cash Flow from Operating Activities	<u>\$ 142,379</u>	<u>\$ 133,861</u>	<u>\$ 276,240</u>

See Accompanying Notes to Basic Financial Statements

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# **Tobin & Co.**

Leland Township  
Statement of Fiduciary Net Assets  
March 31, 2007

## Assets

Cash and Investments	\$ 236,675
Receivables	<u>3,000</u>
Total Assets	<u>239,675</u>

## Liabilities

Undistributed Taxes	12,553
Due to Other Funds	42,489
Escrow Payable	<u>184,633</u>
Total Liabilities	<u>239,675</u>
Net Assets	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Leland Township  
Notes to Financial Statements  
March 31, 2007

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Leland Township is a general law township located in Leelanau County, Michigan. Population as of the 2000 census was 2,033, and the current State equalized valuation of the year of audit was \$583,994,065.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

### B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

# **Tobin & Co.**

Leland Township  
Notes to Financial Statements  
March 31, 2007

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Basis of Presentation (Continued)**

Permanent Funds – These funds are used to account for resources that are legally restricted to the extent that only the earnings, and not the principal, may be used for purposes that support the reporting government's programs.

#### Proprietary Funds

These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the statement of net assets.

#### Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

### **C. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

### **D. Budgets**

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

# Tobin & Co.

Leland Township  
Notes to Financial Statements  
March 31, 2007

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns or business-type activities in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$1,000 to \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	20 years
Sewer Systems	50 years
Buildings	40 years
Building Improvements	25 years
Vehicles	10 years
Furniture and Fixtures	10 years
Equipment	5 years

### F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$583,994,065	\$317,310,599	.9374
Fire Protection	\$583,994,065	\$317,310,599	1.4000

### G. Special Assessment Revenue

Special Assessment Revenue is recognized in the year of levy. The Township has elected to recognize advance payments of special assessments as revenue upon receipt rather than allocating a portion of such payments to each year's levy.

### H. Investments

Township investments at March 31, 2007 consisted primarily of Money Market funds which are legal for direct investment by local units of government in Michigan.

### I. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Township considers all short-term debt securities purchased with a remaining maturity of three months or less when purchased to be cash equivalents.

# **Tobin & Co.**

Leland Township  
Notes to Financial Statements  
March 31, 2007

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. We noted no material violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2007.
- C. Public Act 621 of 1978, §18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended March 31, 2007, the Township incurred no expenditures in excess of amounts appropriated without formal budget amendment.

## **NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

### **A. Legal Provisions for Deposits and Investments**

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) In repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) In obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.



# Tobin & Co.

Leland Township  
Notes to Financial Statements  
March 31, 2007

## NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

### B. Types of Deposits and Investments

The Township had \$1,737,464 deposited with local financial institutions at March 31, 2007 with a carrying value of \$1,720,461. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$1,437,464 of uninsured deposits at March 31, 2007.

Investments of \$15,175 are carried at market value and are primarily money market funds which are legal for direct investment by local units of government in Michigan.

## NOTE 4 - ACCOUNTS RECEIVABLE

\$102,343 of accounts receivable represents uncollected sewer usage, connection and tap fees as of March 31, 2007.

## NOTE 5 - LOANS AND TRANSFERS BETWEEN FUNDS

The following is a summary of interfund receivables/payables as of March 31, 2007:

	Fire and Rescue Fund	Sewer Fund	Marina Fund	Total
Due From:				
Due To:				
General	\$ 2,989	\$ 168	\$ 10,218	\$ 13,375
Sewer Fund	-	-	569	569
	<u>\$ 2,989</u>	<u>\$ 168</u>	<u>\$ 10,787</u>	<u>\$ 13,944</u>

During the audit year the General Fund transferred \$67,950 to the Library Fund and the Fire Building and Equipment Fund net transferred \$18,409 to the Fire and Rescue Fund.

## NOTE 6 - CAPITAL ASSETS

	03/31/06	Additions	Deletions	03/31/07
Governmental Activities:				
Land and Improvements	\$ 1,619,081	\$ -	\$ -	\$ 1,619,081
Buildings and Improvements	134,525	-	-	134,525
Vehicles and Equipment	1,021,934	10,227	71,000	961,161
Total	2,775,540	10,227	71,000	2,714,767
Less Accumulated Depreciation	(754,241)	(73,554)	(71,000)	(756,795)
Governmental Activities Capital Assets, Net	<u>\$ 2,021,299</u>	<u>\$ (63,327)</u>	<u>\$ -</u>	<u>\$ 1,957,972</u>
Business-type Activities:				
Land and Improvements	\$ 82,976	\$ -	\$ -	\$ 82,976
Buildings and Improvements	618,632	152,335	-	770,967
Equipment	146,528	-	-	146,528
Sewer Systems	7,066,131	-	-	7,066,131
Total	7,914,267	152,335	-	8,066,602
Less Accumulated Depreciation	(2,322,628)	(160,899)	-	(2,483,527)
Business-type Activities Capital Assets, Net	<u>\$ 5,591,639</u>	<u>\$ (8,564)</u>	<u>\$ -</u>	<u>\$ 5,583,075</u>

# Tobin & Co.

## Leland Township Notes to Financial Statements March 31, 2007

### NOTE 7 - LONG-TERM DEBT

On November 1, 1991, Leelanau County issued \$2,900,000 of sewage disposal bonds at interest rates ranging from 9.375% to 4.375% with principal payments due May 1 and interest payments due May 1 and November 1. The proceeds were used to construct a sanitary sewer system in Leland Township.

Changes in long-term debt consist of retirement of \$200,000 of the above bonds.

Debt service requirements to maturity:

	Enterprise Funds Sewage Disposal Bonds	
	Principal	Interest
2007	\$ 200,000	\$ 22,969
2008	200,000	14,219
2009	200,000	5,469
2010	25,000	546
	<u>\$ 625,000</u>	<u>\$ 43,203</u>

### NOTE 8 - INVENTORIES

Leland Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

### NOTE 9 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with the Manufacturers Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution in June 1969 and amended in June 1996:

#### A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum service requirement.
3. All elected officials.

#### B. Contributions

1. A percentage of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

#### C. Vesting

1. Contributions are vested to the employee immediately upon early retirement, termination of services, death, disability, or normal retirement at 100% after 18 months of service.

#### D. Plan Administration

1. The plan is administered by the Township Clerk.

During the audit year, the total contribution for was \$8,250. Covered payroll for the year was \$75,300 with total payroll for all employees of \$392,607. The plan was funded at the required contribution amount.

# Tobin & Co.

## Leland Township Notes to Financial Statements March 31, 2007

### NOTE 10- DEFERRED COMPENSATION PLAN

Leland Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by Aetna Life and Annuity Co. and is available to all employees. The plan allows employees to defer a portion of their salary until a future date. It becomes available to the employee at death, termination, retirement or disability.

### NOTE 11- COMPENSATED ABSENCES

Township employees do not earn compensated absences.

### NOTE 12- CONTINGENT LIABILITIES

Township management is aware of no contingent liabilities on the part of the Township.

### NOTE 13- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan and Burnham and Flowers Insurance Agency and Michigan Municipal League Workmen's Compensation Fund. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### NOTE 14- SEGMENT INFORMATION – ENTERPRISE FUND

The Township maintains two enterprise funds, one of which provides sewer services and the other marina services. Segment information for the year ended March 31, 2007 was as follows:

	<u>Sewer Fund</u>	<u>Marina Fund</u>
Operating Revenues	\$ 330,463	\$ 546,032
Depreciation, Depletion and Amortization Expense	143,285	17,614
Operating Income	7,299	102,358
Net Income	8,443	116,247
Net Working Capital	(65,835)	265,251
Total Assets	5,331,471	679,364
Bonds and Other Long-Term Liabilities:		
Payable from Operating Revenues	625,000	-
Total Equity	4,688,346	669,145

### NOTE 15- OPERATING LEASE

The Township rents its office facilities under a lease expiring July 19, 2008. Rent expense under the above lease was \$12,000 for the year ended March 31, 2007.

Guaranteed lease payments under the above lease are as follows:

Year Ended March 31,	
2008	\$ 12,000
2009	<u>4,000</u>
	<u>\$ 16,000</u>

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 1

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Property Taxes	\$ 301,974	\$ 301,974	\$ 285,803	\$ (16,171)
Licenses and Permits:				
Land Use Permits	5,500	5,500	5,750	250
Federal Grants:				
Election	-	4,755	4,755	-
State Grants:				
State Shared Revenues	139,985	139,985	138,032	(1,953)
Coastal Zone Management	8,000	8,000	5,015	(2,985)
Charges for Services:				
Summer Tax Collection	12,000	12,000	11,241	(759)
Fees	20,950	20,950	19,432	(1,518)
Sales	3,300	3,300	480	(2,820)
Interest and Rents:				
Interest	7,000	7,000	11,576	4,576
Other:				
Refunds and Reimbursements	1,000	1,000	1,588	588
Miscellaneous	-	-	3,158	3,158
Total Revenues	<u>499,709</u>	<u>504,464</u>	<u>486,830</u>	<u>(17,634)</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	6,275	-
Supplies and Postage	-	-	403	-
Contractual Services	-	-	1,010	-
Legal Services	-	-	555	-
Audit and Accounting	-	-	2,857	-
Communications	-	-	1,959	-
Transportation and Travel	-	-	83	-
Printing and Publishing	-	-	1,817	-
Dues	-	-	4,447	-
Public Utilities	-	-	2,556	-
Maintenance and Repairs	-	-	2,290	-
Rent	-	-	12,000	-
Other	-	-	13,082	-
Total	<u>36,140</u>	<u>36,140</u>	<u>49,334</u>	<u>(13,194)</u>
Total Legislative	<u>36,140</u>	<u>36,140</u>	<u>49,334</u>	<u>(13,194)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	18,500	-
Transportation and Travel	-	-	554	-
Education	-	-	310	-
Other	-	-	185	-
Total	<u>19,200</u>	<u>19,550</u>	<u>19,549</u>	<u>1</u>
Elections:				
Salaries and Wages	-	-	2,812	-
Supplies and Postage	-	-	1,774	-
Printing and Publishing	-	-	493	-
Maintenance and Repairs	-	-	560	-
Supplies and Postage	-	-	275	-
Total	<u>4,660</u>	<u>6,037</u>	<u>5,914</u>	<u>123</u>
Assessor:				
Supplies and Postage	-	-	1,560	-
Contractual Services	-	-	26,650	-
Printing and Publishing	-	-	266	-
Maintenance and Repairs	-	-	700	-
Total	<u>29,250</u>	<u>29,250</u>	<u>29,176</u>	<u>74</u>
Clerk:				
Salaries and Wages	-	-	32,248	-
Supplies and Postage	-	-	1,375	-
Accounting	-	-	200	-
Maintenance and Repairs	-	-	220	-
Education and Training	-	-	128	-
Other	-	-	86	-
Total	<u>35,400</u>	<u>35,400</u>	<u>34,257</u>	<u>1,143</u>
Board of Review:				
Salaries and Wages	-	-	500	-
Printing and Publishing	-	-	129	-
Total	<u>820</u>	<u>820</u>	<u>629</u>	<u>191</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government (Continued):				
Treasurer:				
Salaries and Wages	-	-	26,068	-
Supplies and Postage	-	-	4,348	-
Transportation and Travel	-	-	425	-
Printing and Publishing	-	-	42	-
Maintenance and Repairs	-	-	915	-
Education and Training	-	-	128	-
Other	-	-	38	-
Total	<u>33,300</u>	<u>33,350</u>	<u>31,964</u>	<u>1,386</u>
Cemetery:				
Salaries and Wages	-	-	4,944	-
Supplies	-	-	55	-
Maintenance and Repairs	-	-	839	-
Other	-	-	303	-
Total	<u>10,700</u>	<u>9,600</u>	<u>6,141</u>	<u>3,459</u>
Total General Government	<u>133,330</u>	<u>134,007</u>	<u>127,630</u>	<u>6,377</u>
Public Safety:				
Planning:				
Salaries and Wages	-	-	21,858	-
Supplies	-	-	831	-
Contractual	-	-	18,470	-
Legal	-	-	10,862	-
Dues	-	-	300	-
Transportation and Travel	-	-	1,465	-
Printing and Publishing	-	-	710	-
Education and Training	-	-	353	-
Other	-	-	100	-
Total	<u>75,550</u>	<u>75,550</u>	<u>54,949</u>	<u>20,601</u>
Zoning:				
Salaries and Wages	-	-	1,116	-
Supplies	-	-	36	-
Contractual	-	-	476	-
Legal	-	-	1,358	-
Dues	-	-	300	-
Transportation and Travel	-	-	173	-
Printing and Publishing	-	-	242	-
Education and Training	-	-	90	-
Total	<u>3,140</u>	<u>3,840</u>	<u>3,791</u>	<u>49</u>
Total Public Safety	<u>78,690</u>	<u>79,390</u>	<u>58,740</u>	<u>20,650</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Public Works:				
Roads and Sidewalks:				
Contractual Services	<u>53,750</u>	<u>53,750</u>	<u>-</u>	<u>53,750</u>
Street Lighting:				
Contractual Services	<u>13,000</u>	<u>13,000</u>	<u>12,565</u>	<u>435</u>
Total Public Works	<u>66,750</u>	<u>66,750</u>	<u>12,565</u>	<u>54,185</u>
Recreation and Cultural:				
Parks and Recreation:				
Salaries and Wages	-	-	16,954	-
Supplies	-	-	2,966	-
Contractual Services	-	-	5,946	-
Trash Removal	-	-	2,075	-
Sewer Use	-	-	3,603	-
Printing and Publishing	-	-	501	-
Public Utilities	-	-	1,502	-
Maintenance and Repairs	-	-	15,797	-
Other	-	-	3,739	-
Total Recreation and Cultural	<u>52,850</u>	<u>52,850</u>	<u>53,083</u>	<u>(233)</u>
Other:				
Employee Benefits and Insurance	<u>36,754</u>	<u>36,754</u>	<u>33,753</u>	<u>3,001</u>
Total	<u>36,754</u>	<u>36,754</u>	<u>33,753</u>	<u>3,001</u>
Capital Outlay	<u>27,245</u>	<u>28,845</u>	<u>10,676</u>	<u>18,169</u>
Total Expenditures	<u>431,759</u>	<u>434,736</u>	<u>345,781</u>	<u>88,955</u>
<u>Excess Revenues (Expenditures)</u>	<u>67,950</u>	<u>69,728</u>	<u>141,049</u>	<u>71,321</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(67,950)</u>	<u>(67,950)</u>	<u>(67,950)</u>	<u>-</u>
Total	<u>(67,950)</u>	<u>(67,950)</u>	<u>(67,950)</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ 1,778</u>	<u>73,099</u>	<u>\$ 71,321</u>
Fund Balance – Beginning of Year			<u>207,129</u>	
Fund Balance – End of Year			<u>\$ 280,228</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Metro Authority Fund  
For the Year Ended March 31, 2007

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
State Shared Revenues	\$ 5,300	\$ 5,300	\$ 5,598	\$ 298
Total	5,300	5,300	5,598	298
<u>Expenditures</u>	-	-	-	-
Excess Revenues (Expenditures)	\$ 5,300	\$ 5,300	5,598	\$ 298
Fund Balance – Beginning of Year			12,282	
Fund Balance – End of Year			\$ 17,880	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire and Rescue Fund  
For the Year Ended March 31, 2007

Schedule 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 295,413	\$ 323,887	\$ 301,632	\$ (22,255)
Charges for Services:				
Run Fees	34,000	43,000	40,829	(2,171)
Other:				
Miscellaneous	-	200	380	180
Total Revenues	<u>329,413</u>	<u>367,087</u>	<u>342,841</u>	<u>(24,246)</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	146,731	-
Social Security and Medicare	-	-	11,238	-
Unemployment	-	-	4,434	-
Supplies	-	-	11,722	-
Contractual	-	-	70,308	-
Trash and Snow Removal	-	-	604	-
Legal	-	-	94	-
Sewer Use	-	-	931	-
Communications	-	-	2,387	-
Transportation and Travel	-	-	7,571	-
Printing and Publishing	-	-	827	-
Insurance and Bonds	-	-	18,763	-
Public Utilities	-	-	9,597	-
Maintenance and Repairs	-	-	18,181	-
Uniforms	-	-	8,556	-
Licenses and Fees	-	-	1,080	-
Other	-	-	91	-
Medical	-	-	5,448	-
Education and Training	-	-	7,556	-
Capital Outlay	-	-	13,019	-
Total	<u>209,119</u>	<u>342,295</u>	<u>339,138</u>	<u>3,157</u>
<u>Excess Revenues (Expenditures)</u>	<u>120,294</u>	<u>24,792</u>	<u>3,703</u>	<u>(21,089)</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	20,000	34,085	123,409	89,324
Operating Transfers (Out)	(20,000)	(34,085)	(105,000)	(70,915)
Total	<u>-</u>	<u>-</u>	<u>18,409</u>	<u>18,409</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 120,294</u>	<u>\$ 24,792</u>	<u>22,112</u>	<u>\$ (2,680)</u>
Fund Balance – Beginning of Year			<u>34,074</u>	
Fund Balance – End of Year			<u>\$ 56,186</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual  
Liquor Law Enforcement Fund  
For the Year Ended March 31, 2007

Schedule 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
State Grants:				
License Refunds from State	\$ 3,500	\$ 3,500	\$ 3,574	\$ 74
Total	3,500	3,500	3,574	74
<u>Expenditures</u>				
Contractual Services	5,000	5,000	4,493	507
Total	5,000	5,000	4,493	507
<u>Excess Revenues (Expenditures)</u>	(1) \$ (1,500)	\$ (1,500)	(919)	\$ 581
Fund Balance -- Beginning of Year			9,756	
Fund Balance -- End of Year			\$ 8,837	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Leland Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Library Fund For the Year Ended March 31, 2007

Schedule 5

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grants:				
State Aid	\$ 1,500	\$ 1,500	\$ 2,070	\$ 570
Charges for Services:				
Fees	7,500	7,500	6,697	(803)
Sales	4,000	4,000	4,697	697
Fines and Forfeits:				
Penal Fines	15,000	15,000	14,496	(504)
Book Fines	600	600	869	269
Interest and Rents:				
Interest and Dividends	-	8,000	13,548	5,548
Other:				
Donations	18,000	20,500	19,526	(974)
Unrealized Gain on Investments	-	-	1,737	1,737
Miscellaneous	-	-	889	889
<b>Total Revenues</b>	<u>46,600</u>	<u>57,100</u>	<u>64,529</u>	<u>7,429</u>
<b>Expenditures</b>				
Salaries and Wages	-	-	46,554	-
Social Security and Medicare	-	-	3,352	-
Unemployment	-	-	1,119	-
Medical Reimbursement	-	-	1,000	-
Supplies	-	-	5,840	-
Trash and Snow Removal	-	-	854	-
Accounting and Auditing	-	-	750	-
Dues	-	-	2,313	-
Sewer Use	-	-	657	-
Programs	-	-	1,294	-
Communications	-	-	819	-
Transportation and Travel	-	-	1,017	-
Printing and Publishing	-	-	598	-
Insurance and Bonds	-	-	2,896	-
Public Utilities	-	-	6,618	-
Maintenance and Repairs	-	-	6,013	-
Information Technology	-	-	6,602	-
Other	-	-	676	-
Education and Training	-	-	231	-
Unrealized Loss on Investments	-	-	266	-
Capital Outlay	-	-	100	-
Collection	-	-	27,261	-
<b>Total</b>	<u>114,550</u>	<u>125,050</u>	<u>116,830</u>	<u>8,220</u>
<b>Excess Revenues (Expenditures)</b>	<u>(67,950)</u>	<u>(67,950)</u>	<u>(52,301)</u>	<u>15,649</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	67,950	67,950	67,950	-
Operating Transfers (Out)	-	-	-	-
<b>Total</b>	<u>67,950</u>	<u>67,950</u>	<u>67,950</u>	<u>-</u>
<b>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>15,649</u>	<u>\$ 15,649</u>
Fund Balance – Beginning of Year			194,189	
Fund Balance – End of Year			<u>\$ 209,838</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Marina Improvement Fund  
For the Year Ended March 31, 2007

Schedule 6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest and Rents:				
Interest	\$ 20,000	\$ 20,000	\$ 21,595	\$ 1,595
Total	20,000	20,000	21,595	1,595
<u>Expenditures</u>	-	-	-	-
Total	-	-	-	-
<u>Excess Revenues (Expenditures)</u>	20,000	20,000	21,595	1,595
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	90,000	90,000	-	(90,000)
Operating Transfers (Out)	-	-	-	-
Total	90,000	90,000	-	(90,000)
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ 110,000	\$ 110,000	21,595	\$ (88,405)
Fund Balance – Beginning of Year			482,893	
Fund Balance – End of Year			\$ 504,488	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire Building and Equipment Fund  
For the Year Ended March 31, 2007

Schedule 7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes:				
Property Taxes	\$ 118,165	\$ 118,165	\$ 124,096	\$ 5,931
Interest and Rents:				
Interest	5,000	5,000	7,718	2,718
Other:				
Sale of Capital Assets	-	-	3,500	3,500
Total	<u>123,165</u>	<u>123,165</u>	<u>135,314</u>	<u>12,149</u>
<u>Expenditures</u>	-	-	-	-
Total	-	-	-	-
<u>Excess Revenues (Expenditures)</u>	<u>123,165</u>	<u>123,165</u>	<u>135,314</u>	<u>12,149</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	105,000	105,000
Operating Transfers (Out)	(20,000)	(20,000)	(123,409)	(103,409)
Total	<u>(20,000)</u>	<u>(20,000)</u>	<u>(18,409)</u>	<u>1,591</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 103,165</u>	<u>\$ 103,165</u>	<u>116,905</u>	<u>\$ 13,740</u>
Fund Balance – Beginning of Year			<u>219,122</u>	
Fund Balance – End of Year			<u>\$ 336,027</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Combining Balance Sheet  
Non-Major Governmental Funds  
March 31, 2007

Schedule 8

<u>Assets</u>	<u>Special Revenue</u>		<u>Permanent Fund</u>	<u>Total</u>
	<u>Liquor Law Enforcement</u>	<u>Metro Authority</u>	<u>Perpetual Care</u>	
Cash and Cash Equivalents	\$ 8,837	\$ 17,880	\$ 500	\$ 27,217
Total Assets	<u>\$ 8,837</u>	<u>\$ 17,880</u>	<u>\$ 500</u>	<u>\$ 27,217</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Fund Balance – Unreserved	<u>8,837</u>	<u>17,880</u>	<u>500</u>	<u>27,217</u>
Total	<u>8,837</u>	<u>17,880</u>	<u>500</u>	<u>27,217</u>
Total Liabilities and Fund Balance	<u>\$ 8,837</u>	<u>\$ 17,880</u>	<u>\$ 500</u>	<u>\$ 27,217</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
March 31, 2007

Schedule 9

	<u>Special Revenue</u>		<u>Permanent Fund</u>	<u>Total</u>
	<u>Liquor Law Enforcement</u>	<u>Metro Authority</u>	<u>Perpetual Care</u>	
<u>Revenues</u>				
State Grants	\$ 3,574	\$ 5,598	\$ -	\$ 9,172
Total	<u>3,574</u>	<u>5,598</u>	<u>-</u>	<u>9,172</u>
<u>Expenditures</u>				
Public Safety	<u>4,493</u>	<u>-</u>	<u>-</u>	<u>4,493</u>
Total	<u>4,493</u>	<u>-</u>	<u>-</u>	<u>4,493</u>
<u>Excess Revenues (Expenditures)</u>	<u>(919)</u>	<u>5,598</u>	<u>-</u>	<u>4,679</u>
Fund Balance — Beginning of Year	<u>9,756</u>	<u>12,282</u>	<u>500</u>	<u>22,538</u>
Fund Balance — End of Year	<u>\$ 8,837</u>	<u>\$ 17,880</u>	<u>\$ 500</u>	<u>\$ 27,217</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Retained Earnings – Budget and Actual  
Sewer Fund  
For the Year Ended March 31, 2007

Schedule 10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Charges for Services:				
Usage and Connection Fees and Debt Retirement	\$ 334,919	\$ 334,919	\$ 324,936	\$ (9,983)
Other:				
Reimbursements and Miscellaneous	-	-	5,527	5,527
Total	334,919	334,919	330,463	(4,456)
<b><u>Expenditures</u></b>				
Salaries and Wages	-	-	10,592	-
Social Security and Medicare	-	-	811	-
Unemployment	-	-	433	-
Supplies	-	-	879	-
Contractual Services	-	-	79,482	-
Trash and Snow Removal	-	-	809	-
Legal	-	-	3,929	-
Accounting and Auditing	-	-	1,257	-
Communications	-	-	2,321	-
Printing and Publishing	-	-	577	-
Licenses and Permits	-	-	3,650	-
Insurance and Bonds	-	-	4,035	-
Public Utilities	-	-	19,152	-
Maintenance and Repairs	-	-	10,218	-
Depreciation	-	-	143,285	-
Other	-	-	12,400	-
Interest	-	-	29,334	-
Total	182,236	182,236	323,164	(140,928)
<b><u>Operating Income (Loss)</u></b>	<b>152,683</b>	<b>152,683</b>	<b>7,299</b>	<b>(145,384)</b>
Interest Income	550	550	1,144	594
<b><u>Total Non-operating Income (Expense)</u></b>	<b>550</b>	<b>550</b>	<b>1,144</b>	<b>594</b>
<b><u>Net Income (Loss)</u></b>	<b>\$ 153,233</b>	<b>\$ 153,233</b>	<b>8,443</b>	<b>\$ (144,790)</b>
Depreciation Transferred to Contributions			89,302	
Retained Earnings – Beginning of Year			832,262	
Retained Earnings – End of Year			\$ 930,007	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Statement of Revenues, Expenditures and Changes in Retained Earnings – Budget and Actual  
Marina Fund  
For the Year Ended March 31, 2007

Schedule 11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
State Grants:				
Natural Resources	\$ -	\$ -	\$ 18,652	\$ 18,652
Charges for Services:				
Moorage and Other Fees	155,000	155,000	155,047	47
Launching Fees	5,500	5,500	5,241	(259)
Parking Meter and Fines	5,500	5,500	4,970	(530)
Pump Out Fees	2,100	2,100	1,109	(991)
Gas, Oil and Diesel Sales	<u>373,600</u>	<u>373,600</u>	<u>361,013</u>	<u>(12,587)</u>
Total	<u>541,700</u>	<u>541,700</u>	<u>546,032</u>	<u>4,332</u>
<b><u>Expenditures</u></b>				
Salaries and Wages	-	-	60,268	-
Fringe Benefits	-	-	6,144	-
Supplies	-	-	5,045	-
Gas, Oil and Fuel	-	-	290,942	-
Trash Removal	-	-	777	-
Contractual Services	-	-	1,116	-
Accounting and Auditing	-	-	1,513	-
Legal	-	-	279	-
Communications	-	-	1,151	-
Transportation and Travel	-	-	274	-
Printing and Publishing	-	-	340	-
Insurance and Bonds	-	-	5,858	-
Public Utilities	-	-	15,363	-
Maintenance and Repairs	-	-	12,100	-
Depreciation	-	-	17,614	-
Licenses and Fees	-	-	435	-
Other and Credit Card Fees	-	-	12,453	-
Administration Fee	-	-	12,000	-
Total	<u>435,770</u>	<u>435,770</u>	<u>443,674</u>	<u>(7,904)</u>
<b><u>Operating Income</u></b>	<u>105,930</u>	<u>105,930</u>	<u>102,358</u>	<u>(3,572)</u>
Interest Income	15,000	15,000	13,889	(1,111)
Transfer In	-	-	-	-
Transfer Out	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
<b><u>Total Non-operating Income (Expense)</u></b>	<u>(75,000)</u>	<u>(75,000)</u>	<u>13,889</u>	<u>88,889</u>
<b><u>Net Income</u></b>	<u>\$ 30,930</u>	<u>\$ 30,930</u>	<u>116,247</u>	<u>\$ 85,317</u>
Retained Earnings – Beginning of Year			<u>552,329</u>	
Retained Earnings – End of Year			<u>\$ 668,576</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
Combining Statement of Changes in Assets and Liabilities  
Fund  
For the Year Ended March 31, 2007

Schedule 12

<u>Assets</u>	<u>Trust and Agency Fund</u>			<u>Balance 03/31/07</u>
	<u>Balance 03/31/06</u>	<u>Additions</u>	<u>Deductions</u>	
Cash and Investments	\$ -	\$ 199,767	\$ 15,134	\$ 184,633
Receivables	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 199,767</u>	<u>\$ 15,134</u>	<u>\$ 184,633</u>
<u>Liabilities</u>				
Undistributed Taxes	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Escrow Payable	-	199,767	15,134	184,633
Total Liabilities	<u>\$ -</u>	<u>\$ 199,767</u>	<u>\$ 15,134</u>	<u>\$ 184,633</u>

<u>Assets</u>	<u>Current Tax Collection Fund</u>			<u>Balance 03/31/07</u>
	<u>Balance 03/31/06</u>	<u>Additions</u>	<u>Deductions</u>	
Cash and Investments	\$ 29,561	\$ 7,893,280	\$ 7,870,799	\$ 52,042
Receivables	-	3,000	-	3,000
Total Assets	<u>\$ 29,561</u>	<u>\$ 7,896,280</u>	<u>\$ 7,870,799</u>	<u>\$ 55,042</u>
<u>Liabilities</u>				
Undistributed Taxes	\$ 6,759	\$ 7,185,099	\$ 7,179,305	\$ 12,553
Due to Other Funds	22,802	711,181	691,494	42,489
Escrow Payable	-	-	-	-
Total Liabilities	<u>\$ 29,561</u>	<u>\$ 7,896,280</u>	<u>\$ 7,870,799</u>	<u>\$ 55,042</u>

<u>Assets</u>	<u>Total</u>			<u>Balance 03/31/07</u>
	<u>Balance 03/31/06</u>	<u>Additions</u>	<u>Deductions</u>	
Cash and Investments	\$ 29,561	\$ 8,093,047	\$ 7,885,933	\$ 236,675
Receivables	-	3,000	-	3,000
Total Assets	<u>\$ 29,561</u>	<u>\$ 8,096,047</u>	<u>\$ 7,885,933</u>	<u>\$ 239,675</u>
<u>Liabilities</u>				
Undistributed Taxes	\$ 6,759	\$ 7,185,099	\$ 7,179,305	\$ 12,553
Due to Other Funds	22,802	711,181	691,494	42,489
Escrow Payable	-	199,767	15,134	184,633
Total Liabilities	<u>\$ 29,561</u>	<u>\$ 8,096,047</u>	<u>\$ 7,885,933</u>	<u>\$ 239,675</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Leland Township  
2006 Property Tax Levy and Collections  
For the Year Ended March 31, 2007

Schedule 13

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	4.6569	\$ 1,479,702	\$ 1,404,037	\$ 75,665
County Road	0.5000	158,914	147,950	10,964
County Senior	0.2463	78,281	72,873	5,408
County BATA	0.3317	105,424	98,145	7,279
State Education	6.0000	1,903,668	1,839,496	64,172
School District:				
Leland	12.6513	2,709,417	2,612,057	97,360
Suttons Bay	22.5435	2,207	1,415	792
Intermediate School District	2.9421	935,153	901,989	33,164
Township:				
General	0.9374	297,674	277,373	20,301
Fire Protection	1.4000	444,543	414,269	30,274
Special Assessments:				
Recycle Fee		38,200	35,471	2,729
Sewer Usage		<u>12,982</u>	<u>9,985</u>	<u>2,997</u>
Total		<u>\$ 8,166,165</u>	<u>\$ 7,815,060</u>	<u>\$ 351,105</u>
Percent of Levy Collected		95.70%		

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